Separate system for handling serious offences

3593. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether SEBI is planning a system to separately handle serious offences in the capital market;

(b) if so, by when the proposed project would come in to force and explain the rationale for setting up of a separate system;

(c) whether the framing of regulations on investment advisers is a part of the exercise;

(d) whether the number of offences in capital market are on the rise during the last three years;

(e) if so, the details of the quantum of funds/shares got manipulated in the offences; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) SEBI has informed that it has recently issued guidelines for issue of consent orders based on the recommendation of an external committee. These guidelines have come into force with effect from 20th April, 2007.

(c) SEBI is working to frame regulations on investment advisers, as mandated in the SEBI Act, 1992.

(d) to (f) SEBI has informed that as a result of heightened market surveillance activity, it has been able to uncover a good number of irregularities promptly.

Go slow by banks on housing loans

3594. SHRI T.T.V. DHINAKARAN: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has directed banks to go slow on housing loans; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) Does not arise.

New Pension Scheme

3595. SHRI VIJAY J. DARDA:
SHRIMATI SYEDA ANWARA TAIMUR:

Will the Minister of FINANCE be pleased to state:

(a) whether most of the State Governments have broad agreement with the proposed New Pension Scheme to invest 5 per cent of its corpus in the stock market;

(b) if so, whether the views of important Federation of Labour Unions have been taken into account; and

(c) whether this scheme would suffice to set Government finances in order, or this is the first steps towards taking more risk-oriented investment decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) At a Conference of Chief Ministers held on 22nd January, 2007 on the subject of pension reforms, a majority of States, except Kerala, West Bengal and Tripura supported the proposed interim investment arrangement for the New Pension System (NPS).

Government have taken note of the views expressed in this conference and by other stakeholders and will continue consultations with all the entities concerned to arrive at a consensus on pension reforms.

(c) Unlike the earlier pension system, in the new scheme, Government is explicitly budgeting money upfront for pension by making a matching contribution into each employee's pension account. The transition from a defined benefit (DB) to a defined contribution (DC) pension system would involve transition costs, as Government has to meet liabilities arising from both types of systems for some time. This will gradually decline and savings will appear when the entire set of existing pensioners cease to draw DB